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November 27, 2006

OF COUNSEL
WILLIAM G. CONLY

Honorable James H. Welsh
Commissioner of Conservation
State of Louisiana
Post Office Box 44275
Baton Rouge, Louisiana 70804-4275

Re: APPLICATION FOR PUBLIC HEARING

Paluxy Formation, LOGANSFORT FIELD, DeSoto
Parish, Louisiana.

Dear Sir:

BEUSA ENERGY, INC. ("Applicant"), hereby respectfully applies for a public hearing to consider evidence relative to the issuance of an Order pertaining to the following matters relating to the Paluxy Formation in the Logansport Field, DeSoto Parish, Louisiana:

1. To designate the Bidas Energy USA, Inc.--Jason Blunt 9 No. 1 Well, located as shown on the attached plat, as the unit well for PXY SUJ, in exception to the spacing provisions of Office of Conservation Order No. 28-M-2, effective October 1, 1964.
2. To designate Bidas Energy USA, Inc., as operator of PXY SUJ.
3. To consider such other matters as may be appropriate and justified by the evidence presented at the hearing.

The Paluxy Formation in the Logansport Field, DeSoto Parish, Louisiana, was defined in Office of Conservation Order No. 28-M, effective March 1, 1961.

Pertinent data concerning this application is available for inspection at the offices of Louis Gilbert & Associates, Inc., 3636 N. Causeway Boulevard, Suite 204, Metairie, Louisiana 70002-7216. Any person wishing to inspect such data should call Mr. Louis Gilbert at (504) 834-8112 during normal business hours in order to arrange a date and time for such inspection. A copy of any such pertinent data which is not otherwise available from the Office of Conservation can be obtained from Applicant at the expense of the requesting party.

As provided by the Revised Rules of Procedure, the subject matter of this application does not require the issuance of a pre-application notice; therefore, no such notice has been issued.

Pursuant to the aforesaid Rules of Procedure, Applicant has made a reasonable effort to compile a list of the names and addresses of all Interested Owners, Represented Parties and Interested Parties to whom notice of this application is being sent and attached hereto is a list of the names and addresses of such parties. A copy of this letter, and of the attached plat, is being sent to

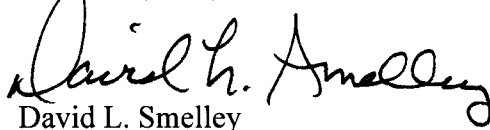
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the District Manager of the Shreveport District of the Office of Conservation and to the Interested Owners, Represented Parties and Interested Parties shown on the attached list.

Applicant will provide for posting of a copy of the Legal Notice of this hearing, and of the attached plat, at a prominent place in the area affected and will cause the Legal Notice to be published in a newspaper published in the general area of Logansport Field, all in accordance with the Revised Rules of Procedure. Furthermore, Applicant will mail a copy of the Legal Notice to all Interested Owners, Represented Parties and Interested Parties promptly upon receipt of the Legal Notice.

Our check payable to the Office of Conservation and covering the application fee is enclosed.

Yours very truly,



David L. Smelley

-- Attorney for Beusa Energy, Inc.

DLS:dp
Enclosures

cc: Mr. Jim Broussard (w/encls.)
Ms. Linda McGowen (w/encls.)
Mr. Louis Gilbert (w/encls.)
Interested Owners, Represented Parties
and Interested Parties (w/copy of plat only)

